

Vermont's 1 billion dollar bill

Federal highway money will help offset higher road-building costs

Vermont Business Magazine
September 2005

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Vermont's Independent Senator Jim Jeffords made history last month when the federal highway bill he co-authored was approved, bringing \$1 billion in transportation funds into Vermont over the next five years. In a small state where dollars amounts rarely start with the letter "b," that's a lot of money: \$175 million a year to be exact, or, to put it another way \$50 million a year more than the state has been receiving in recent years.

Authorities on transportation say an improved transportation infrastructure is good for business. Some of the projects funded under the bill will increase safety, as in the creation of a roundabout in Clarendon at Routes 7 and 103; some attacks the states long list of bridges in need of repair; some improves pedestrian access to downtowns; and some of it will free up congested areas and create new truck routes. As well, \$100 million of the bill is earmarked specifically for the western corridor, with a heavy emphasis on rail. The bill also funds \$16 million for a National Transportation Center at the University of Vermont.

Good Roads Are Good For Business

"Moving people and goods conveniently and safely is a very good economic development objective," said Duane Marsh, President of the Vermont Chamber of Commerce. "We're hopeful with the new infusion of money we'll be able to do a better job, so we can do what we want to do."

And what we want to do, according to Marsh, is attract - and keep - tourists and business in Vermont. Smooth roads can create a "perfect" Vermont experience for tourists, Marsh said, as well as creating a more efficient system for manufacturers.

"Moving goods is a vital part of any business," he said. "The more efficiently they do that, it impacts their bottom line. We want to make sure they can do that quickly and efficiently, with the price of gas going up, transportation becomes even more important."

Jeffords touts Vermont's \$1 billion federal funding as the "biggest federal investment in Vermont's roads and bridges in history." As the ranking member of the Environment and Public Works Committee, the bill took three years to create, and in the end gave Vermont a 40 percent raise. The last highway funding bill gave Vermont \$125 million a year over 6 years. The newest bill is up for renewal in five years.

"Two years from now, this bill is still going to be paying dividends to this state," said Jeffords' spokesperson, Erik Smulson. "For the next five years, Vermont is going to be doing ten-times better than New Hampshire. Vermont is just a real winner. This is going to be one of Jeffords legacies for the state of Vermont."

\$1 Billion Fixes A Lot Of Bridges

"It's a good number," said Thom Serrani, Executive Vice President of Associated General Contractors of Vermont. "We did better than most northern states."

While federal spending watchdog groups like Citizens Against Government Waste bristle at the new highway bill, you'll be hard pressed to find anyone in the transportation business in Vermont to think the projects funded under this bill are a waste.

"The place is falling apart," said Serrani. "We literally got billions of dollars of work to do."

While the jury is out about how much work needs to be done on Vermont's roads, few argue that many of the state's 2,700 bridges need repairs. According to Serrani, Governor Kunin in 1988 declared a state of emergency because Vermont had 454 structurally deficient bridges. In 1996, the number rose to 646.

"Now we're down to the 400 level," Serrani said, "We've done better than in 1996, but we're still in the crisis level Kunin saw in 1988. So, we got a problem. Even with this money we got, the question everyone has is, what is the manageable number we can go with and continue to keep up the work load?"

Smulson agrees that bridge repairs top the state's priority list.

"Clearly there are a number of long term projects, especially as concern bridges," Smulson said. "It's an ongoing process. The funding in this bill is going to allow the state to make repairing bridges a top priority. It's going to be a tremendous benefit to the state."

Among the projects slated for funding are 47 bridges across the state, including 8 covered bridges, and \$18 million for the Missisquoi Bay Bridge alone, as requested by the entire Vermont delegation. Additional bridges are up for fixing, but were included in larger projects such as the \$20 million allotted to complete the northern leg of the Bennington bypass (see sidebar), or the \$15 million targeted for Interstate 91 from Hartford to the Canadian border, which will be used for repaving roadways, repairing bridges, and rehabilitating culverts.

The bill also includes \$100 million to improved highway, road and rail transportation in Western Vermont, straight from the Massachusetts border up to the Quebec border.

"One of Jeffords' major priorities is the Western corridor," Smulson explained. "(Jeffords) comes from Rutland. He understands the economic impact to the western side of the state."

Plans for the Western corridor include increasing rail capacity in Bennington, Rutland, and Middlebury to make rail more accessible to businesses. The rail line parallel to Route 7 will be developed, in part to get truck traffic off the road and onto rail cars.

"Transportation is such a key component of economic development," Smulson said. "Boosting the Route 7 corridor from Massachusetts to the Canadian border is a really important thing."

Charlie Miller couldn't agree more. As the Rail Operations Manager at Vermont's Agency of Transportation, Miller explained how rail use both saves money transporting goods, and increases the life of highways by hauling loads otherwise carried by large trucks. One ton of material transported on a train goes 396 miles on a gallon of fuel, Miller said. In a truck, a ton of material will go 136 miles for each gallon of fuel.

"So there's a 3 to 1 ratio of goods when you're using rail," Miller said. "Our intention is to move as much material off the roadway system and onto rail, and to continue to move as much material through the state as we can because that's what makes it economically feasible to keep our present rails in business."

"By removing trucks off the roadways, we can preserve the highway system at the same time," Miller continued. "Some trucks moving through our state are moving through with extremely heavy loads. Our highway systems were built 35 years ago and the bridges are beginning to show the wear and tear."

The bill earmarks \$30 million for rail on the western corridor alone. Some of the projects include: a Middlebury rail spur and extension of the railroad into the Middlebury calcium carbonate Omya Quarry; a passenger route along the Albany-Bennington-Rutland-Burlington-Essex Junction line, including an upgrade of the track; moving the Rutland rail yard to two miles out of town, allowing it more space and freeing up commercial property in downtown Rutland. The money will also pay for upgrading the weight capacity on the entire corridor to keep up with national standards.

"I think the total effort is to make a more effective and efficient transportation system that utilizes an underutilized resource at this point," Miller said.

40,000 Jobs Means Big Returns

"A billion spent in the construction industry equates to 40,000 jobs," said Associated General Contractors' Serrani. "That doesn't mean 40,000 new jobs, but it means jobs."

Serrani also quoted a 1998 resolution of the Council of State Governments, which found that every \$1 in construction brought \$2.64 in a return to the economy, an old statistic that Serrani believes may be as high as a \$3 return in 2005 terms.

"If you're going to spend \$1 billion in the next five years, it's probably going to equate to \$3 billion in the economy," he said.

So how does that money come around? According to Serrani, it comes back in the form of coffee and donuts bought at local stores where construction crews go out, the diners where they buy lunches, the shoe stores where they buy boots, as well as in sales for bulldozers, back hoes and other construction related equipment. It comes back when the people in those 40,000 theoretical jobs buy insurance, and gas and pay the gas tax (which funds their jobs), not to mention the state income tax.

"You go right down the line," Serrani said. "It expands itself into the economy."

Is It All Good News?

While transportation policy analyst Tony Redington welcomes what he believes will be "modest changes" as a result of the highway bill, he says there's good reason not to count on a major change in the funding stream.

Citing almost no growth in vehicle traffic over the past five years, and no increase in the federal gas tax, which funds the highway bill, Redington concluded that "one would have to be cautious in terms of an expected increase in federal funds.

"The real question is how big this is going to be, and how reliable this increase is going to be over the next four years," he said. "I would not be optimistic about the amount of federal funds coming into Vermont as a result of this."

For one thing, said Redington, Vermont has to match much of the federal money appropriated to the state, and in the past it has had "a very severe problem finding dollars to match federal funds to carry out its share of the highway and transportation programming."

For another thing, rising gas prices affect the price of asphalt. In highway budgets, he said, a major expense is petroleum-based asphalt. Gas prices have topped \$2.50 regionally, and are expected to continue to go up.

"So the cost of paving and the cost of construction is going up substantially," Redington said. "The question is, how much of the new transportation dividend is going to get eaten up in the increased cost and maintenance of our highway system."

Another factor that concerns Redington is that the gas tax is the only money congress can use to appropriate to the highway bill. With slow growth in vehicle travel (1.1 percent last year, Redington said), there may be "a cloud on the horizon." In other words, although congress authorized \$1 billion to Vermont until 2009, Redington pointed out that "appropriations don't necessarily have to reach the level of authorization."

"There's reason to be concerned about the dependability of this stream of funds in the federal government," he concluded.

However, as a self-described "roundabout advocate," Redington praised the bill for acknowledging the safety record of roundabouts at dangerous intersections. It is the first bill allowing 100 percent funding for roundabouts, which means the state and towns don't have to come up with matching funds. The word "roundabout" was added to a list of other safety features including signals and guard rails in the bill.

"The roundabout community is just ecstatic about this development," Redington said. "With match money being scarce, this makes these projects more competitive than they were two weeks ago. Jeffords gets most of the credit for this change."

UVM Gets \$16 Million For Transportation Research

Included in the highway funding for Vermont is \$16 million for transportation research and development at UVM. It will create a National University Transportation Center, one of 10 across the country.

The university plans to unveil its plans for the center later this fall, and have it up and running by the end of 2005, said UVM Provost John Bramley. He also said that UVM will have to provide a 50 percent match to the funds.

"That means \$8 million of university money is going into it," he said. "I'm determined that what we will do is make sure that we do this in a very sustainable way."

Bramley said some of the research at the center will focus on renewable energy systems, environmentally clean fuel cells, data collection, and computer simulation and modeling of traffic flow designed to decrease emissions and increase traffic safety.

"I think this is great for Vermont," Bramley said. "We can not only address things that matter in Vermont, but this is going to generate ideas, businesses and economic development."

The increased dollars coming into Vermont not only will allow forward-thinking in general, said Ian Grossman, Director of Communications at the Vermont Agency of Transportation.

"The biggest benefit of this bill is that along with new project prioritization, this is going to allow us to conduct full scale planning over the course of the bill ... as opposed to previous years not knowing what will be next," Grossman said.

"Ultimately, what you'll see," he concluded, "is strategic investment in the transportation system that will make moving goods and services more efficient and effective, allowing businesses the infrastructure support to build and grow, whether it's a current business in Vermont, or a business considering coming to Vermont."